

Section 4.5

Economics

This section discusses economics in the study area, which is defined below. The current economic climate and temporary and permanent economic impacts that could occur in the study area as a result of implementation of any proposed build alternative are discussed herein. Four regional economic variables—employment, motorists’ time savings, resource-based industries (the brine shrimp industry and federal mineral reservation income), and recreation—were assessed in the Final EIS. To update the impacts on employment that were presented in the Final EIS, revised employment estimates for Davis and Salt Lake Counties are presented below. The methodology used to estimate the value of motorists’ time has been updated and applied to reassess the value of time savings under the build alternatives.

4.5.1 Approach and Methodology

4.5.1.1 Changes since June 2000 Final EIS

To update the affected environment and environmental consequences information associated with economics in the study area, Sections 3.5 and 4.5 of the Final EIS were reviewed to determine the changes that had taken place since publication of the Final EIS. The study area for assessing regional economic impacts in this section is the Wasatch Front, which includes all of Salt Lake, Davis, Weber, and Tooele Counties, and a portion of Morgan County. However, for the individual economic topics discussed in this section (i.e., employment, commerce, and tax base), zones of interest, referred to herein as “topical zones,” were identified as appropriate in the study area. These zones are described below.

- The topical zone for analyzing local employment is based on county boundaries and the census tracts that overlay the right-of-way of the proposed build alternatives. Updated employment projections for census tracts in the Wasatch Front region (e.g., Davis, Morgan, Salt Lake, Tooele, and Weber Counties) were obtained from a technical report prepared by WFRC (Wasatch Front Regional Council 2003b).
- The topical zone for analyzing commerce comprises Salt Lake and Davis Counties. Updated information on economic growth in the study area was obtained from Utah’s Office of Planning and Budget (Utah Governor’s Office of Planning and Budget 2002).
- The topical zone for estimating the property tax revenues includes most of the parcels located in the study area. A copy of the *Utah Property Tax 2002 Annual Statistical Report* was obtained from the Utah State Tax Commission to determine whether the tax base had changed since publication of the Final EIS (Utah State Tax Commission 2003).

- The topical zone for estimating the city tax revenues includes the Cities of North Salt Lake, Woods Cross, West Bountiful, Centerville, and Farmington. City finance directors from West Bountiful (Hall pers. comm.), Centerville (Lutz pers. comm.), Woods Cross (Uresk pers. comm.[a]), and Farmington (Johnson pers. comm.) were contacted to obtain current city operating budgets (fiscal year 2002, except fiscal year 1999 for Centerville). The current operating budget for the City of North Salt Lake was obtained from the city's web site (City of North Salt Lake 2002).

Information collected from these sources was used to update the impact conclusions presented in the Final EIS specific to regional and local economics, including how the proposed build alternatives would affect employment in the study area, resource-based industries in the study area, revenue generated from recreation opportunities in the study area, and time savings realized by motorists using the proposed build alternatives (e.g., the value of motorists time savings).

4.5.1.2 Changes since Draft Supplemental EIS

For various reasons—including minor alignment modifications, updates of information, and corrections of inadvertent miscalculations—changes have been made to the calculations of impacts for some resources since the Draft Supplemental EIS was published in December 2004. For this economics section, however, no changes have occurred since the publication of the Draft Supplemental EIS that required changing the calculation of impacts related to economics.

4.5.2 Affected Environment

This section presents a summary of updated information on the affected environment relative to economics and individual economic topics, such as employment, commerce, and tax base. These topics are discussed to provide a foundation for assessing the economic impacts that Legacy Parkway could have in the study area, in particular the value of the travel time savings that could be realized by individuals using the proposed build alternatives.

4.5.2.1 Employment

The topical zone for analyzing local employment is based on county boundaries and the census tracts that overlay the right-of-way of the proposed build alternatives. Tables 4.5-1 and 4.5-2 update Tables 3-10a and 3-10b in the Final EIS and provide updated employment estimates for Davis and Salt Lake Counties, respectively. Table 4.5-3 updates Table 3-11 in the Final EIS and provides updated employment projections according to the census tracts that cover the rights-of-way of the proposed build alternative alignments. These estimates are based on 2002 baseline projections generated by the Utah Department of Work Force (Utah Governor's Office of Planning and Budget 2002) and the *Wasatch Front Region Small Area Socioeconomic Projections: 2002–2030*, which was prepared by WFRC in 2003 (Wasatch Front Regional Council 2003b).

Compared to the employment statistics presented in the Final EIS (Tables 3-10a and 3-10b), the updated 2020 projections for employment in Davis County show increases in the services, government, and non-farm proprietor economic sectors, and decreases in the construction, manufacturing, and trade economic sectors (Table 4.5-1). Similarly, when compared to the statistics presented in the Final EIS, the updated 2020 projections for employment in Salt Lake County show increases in the construction and services sectors, and decreases in the manufacturing, TCPU (i.e., transportation, communications, and public

utilities), and trade economic sectors (Table 4.5-2). Overall, estimates of the rate of job growth for the various employment sectors have been slightly reduced since the Final EIS was published.

Notably, employment in Weber County is projected to increase at a rate of 2.4 percent per year between the years 2002 and 2020 (Wasatch Front Regional Council 2003). This is an increase over the 2 percent annual increase projected by the WFRC for Weber County in 1997 (Wasatch Front Regional Council 1997).

Table 4.5-1 Employment in Davis County (1980–2020)¹

Economic Sector	Year				
	1980	1990	2000	2010	2020
Agriculture	2%	1%	1%	1%	1%
Mining	<1%	<1%	<1%	<1%	<1%
Construction	4%	3%	6%	4%	4%
Manufacturing	10%	10%	9%	8%	8%
TCPU ²	3%	3%	3%	3%	3%
Trade	17%	18%	20%	19%	19%
FIRE ³	2%	2%	3%	3%	3%
Services ⁴	10%	14%	17%	20%	21%
Government	37%	28%	20%	19%	18%
Non-farm Proprietors	15%	21%	22%	22%	22%

Notes:

¹ Percentages shown for each sector represent percentage of total employment in the county. For each year identified in the table, employment percentages for most economic sectors vary from the percentages presented in Table 3-10a of the Final EIS.

² TCPU = Transportation, communications, and public utilities.

³ FIRE = Finance, insurance, and real estate.

⁴ Includes private households and agricultural services employment.

Source: Utah Department of Work Force, Utah Governor's Office of Planning and Budget 2002.

Table 4.5-2 Employment in Salt Lake County (1980–2020)¹

Economic Sector	Year				
	1980	1990	2000	2010	2020
Agriculture	<1%	<1%	<1%	<1%	<1%
Mining	2%	1%	<1%	<1%	<1%
Construction	5%	3%	5%	5%	5%
Manufacturing	14%	11%	9%	8%	7%
TCPU ²	7%	6%	7%	6%	6%
Trade	22%	21%	20%	18%	18%
FIRE ³	5%	6%	6%	6%	6%
Services ⁴	17%	22%	25%	30%	31%

Economic Sector	Year				
	1980	1990	2000	2010	2020
Government	15%	13%	12%	12%	12%
Nonfarm Proprietors	13%	16%	15%	14%	14%

Notes:

- ¹ Percentages shown for each sector represent percentage of total employment in the county. For each year identified in the table, employment percentages for most economic sectors vary from the those presented in Table 3-10b of the Final EIS.
- ² TCPU = Transportation, communications, and public utilities.
- ³ FIRE = Finance, insurance, and real estate.
- ⁴ Includes private households and agricultural services employment.

Source: Utah Department of Work Force, Utah Governor's Office of Planning and Budget 2002.

4.5.2.2 Commerce

The topical zone for analyzing commerce comprises Salt Lake and Davis Counties. State of Utah gross annual retail sales have grown from \$25.8 billion in 1996 (see Section 3.5.2 of the Final EIS) to \$30 billion in 2000, which represents an approximate annual growth rate of 3.8 percent (Utah Governor's Office of Planning and Budget 2002). Salt Lake County accounted for 50 percent of the \$30 billion dollar retail sales figure for 2000, which is a decrease from the county's 57.8 percent share in 1996 (Utah Governor's Office of Planning and Budget 2002). Davis County accounted for approximately 8.3 percent of the growth in the state in 2000, a slight increase from the 8.1 percent growth in 1996 that was presented in the Final EIS.

As stated in the Final EIS, the topical zone for commerce contributes approximately \$3.2 billion to the state economy. The economic contribution of the commerce topical zone has not substantially increased since publication of the Final EIS (Utah Governor's Office of Planning and Budget 2002). In addition, although UDOT has acquired some of the businesses in the footprint of Alternative D (Final EIS Preferred Alternative), residential and commercial development has continued in areas near the proposed build alternatives, as described in Section 4.1, *Land Use*.

As described in the Final EIS, two resource-based industries (i.e., the brine shrimp industry and the mining industry associated with federal mineral reservation lands) that contribute to the regional and local economy in the commerce topical zone could be affected by implementation of the proposed build alternatives. In addition, the recreation industry, which supports recreation resources could be affected by implementation of the proposed build alternatives. The contributions of these industries to the economy in the commerce topical zone have not changed since publication of the Final EIS.

Table 4.5-3 Employment Projections (2002–2020) by Census Tracts

Census Tracts*	Number of Jobs								Annual Growth 2002–2020			
	2002				2020							
	Government	Industrial	Retail	Service & Wholesale	Government	Industrial	Retail	Service & Wholesale	Government	Industrial	Retail	Service & Wholesale
1003.03	3,820	15,228	168	7,820	4,718	18,414	255	8,908	1.18%	1.06%	2.35%	0.73%
1262.02	3,318	3	25	62	4,156	51	117	240	1.26%	17.05%	8.95%	3.59%
1262.03	13	1	19	1,181	20	2	45	1,906	2.42%	3.93%	4.91%	2.69%
1263.04	641	373	706	1,470	916	574	1,095	2,365	2.00%	2.42%	2.47%	2.68%
1270.02	1	4,134	430	1,413	51	8,076	672	2,870	24.41%	3.79%	2.51%	4.02%
1270.03	98	382	912	1,015	301	1,601	1,262	1,868	6.43%	8.29%	1.82%	3.45%
Totals	7,891	20,121	2,260	12,961	10,162	28,718	3,446	18,157	1.42%	2.00%	2.37%	1.89%

Notes:

* These census tracts encompass an area greater than the topical zone for employment. The 2000 census tract employment projections are reflected as 2002 employment projections taken from the WRFC technical report *Wasatch Front Region Small Area Socioeconomics: 2002–2030*, and present more information regarding employment in these areas than the 2000 census.

Source: Wasatch Front Regional Council 2003b.

4.5.2.3 Tax Base

Property Tax Revenues

The topical zone for estimating the property tax revenues includes most of the parcels located in the study area. Table 4.5-4 updates Table 3-16a in the Final EIS and presents updated information on property taxes collected in the tax base topical zone, as well as Davis County, Salt Lake County, and the state.

Table 4.5-4 Revenues—Property Taxes (2002)

Area	Property Tax Revenues (approximate)	Proportion of State's Property Taxes
Topical Zone*	\$2.75 million	0.3%
Davis County	\$101.3 million	10.6%
Salt Lake County	\$577.1 million	51%
State of Utah	\$1.178 billion	—

Note:

* 2000 property tax data for parcels within the study area, except for the area north of Shepard Lane.

Source: Federal Highway Administration et al. 2000, Utah Property Tax Annual Statistical Report (Utah State Tax Commission 2003).

Approximately 51 percent of the state's total assessed property value is in Salt Lake County, while less than 11 percent is in Davis County. Both of these figures represent 3 percent increases from what was presented in the Final EIS. This 3 percent increase is attributable to both an increase in development in the tax base (i.e., new types of property being valued and taxed) and an increase in assessed property values (i.e., attributable to market forces) within the counties.

The tax base topical zone produces less than 1 percent of Utah's property tax revenues, which is comparable to what was presented in the Final EIS (Utah State Tax Commission 2003).

City Tax Revenues

The topical zone for estimating the city tax revenues includes the Cities of North Salt Lake, Woods Cross, West Bountiful, Centerville, and Farmington. Table 4.5-5 updates Table 3-16b in the Final EIS and presents updated information on the amount and source of general fund monies in these cities. These estimates are based on the current and most recent operating budgets for each of the listed jurisdictions, which are fiscal year 2002 except for Centerville, which is fiscal year 1999.¹ As described in the Final EIS, property tax revenue is the second largest single source of revenue, behind sales tax, for most of these cities. Overall, municipal tax revenues have substantially increased since publication of the Final EIS.

4.5.2.4 Value of Motorists Travel Time

Since publication of the Final EIS, there have been considerable advances in the theory and practice of estimating the value of motorists' travel time. As a result, a revised estimate of the average value of

¹ An operating budget later than fiscal year 1999 could not be obtained from the City of Centerville.

motorists' time was developed for the Supplemental EIS analysis. The revised estimate presented in this document accounts for the different values associated with personal, business, and truck travel. The revised average for these values is \$18.65 per hour, a \$9.15 increase over the value presented in the Final EIS.

Table 4.5-5 City Revenue Projections¹

Source	North Salt Lake	Woods Cross	West Bountiful	Centerville	Farmington
Total Sales Tax	\$1,655,600	\$1,772,765	\$735,300	\$2,054,207	\$1,179,770
Total Property Tax	\$1,061,230	\$328,961	\$309,262	\$844,479	\$912,067
Other Major Sources ²	\$2,156,100	\$840,644	\$677,271	\$1,568,850	\$2,050,733
All Other Sources	\$454,355	\$165,829	\$318,197	\$551,634	\$267,453
Total Revenue (2002)	\$5,327,285	\$3,108,199	\$2,040,035	NA	\$4,410,023
Total Revenue (1999) (Final EIS)	\$3,861,375	\$2,195,960	\$1,598,000	\$5,019,170	\$3,311,705
Change, 1999–2002	36%	40%	25%	NA	33%

Notes:

¹ Reported revenues are for fiscal years ending June 30, 2002. City of Centerville reported revenues are for fiscal year ending June 30, 1999.

² Revenue from other major sources includes such items as fines, forfeitures, building permits, sale of fixed assets, franchise taxes, licenses and permits.

Sources: Operating budgets for fiscal year 2002 for North Salt Lake, Woods Cross, West Bountiful, and Farmington; operating budget for fiscal year 1999 for Centerville.

4.5.3 Environmental Consequences and Mitigation Measures

This section describes regional and local economic impacts that could occur from implementation of Legacy Parkway. In addition, this section describes how induced growth north of the study area could affect regional economics.² A summary of local community concerns and preferences relative to economics and the No-Build (existing and future conditions) and build alternatives is presented in this section, although the general substance of input received from local communities in the study area regarding economics has not changed since publication of the Final EIS.

4.5.3.1 Regional Economic Impacts

As stated above, the study area for the regional economic impact analysis is the Wasatch Front, which includes all of Salt Lake, Davis, Weber, and Tooele Counties, and a portion of Morgan County. Both temporary and permanent regional economic impacts were considered. Temporary (short-term) impacts are those associated with construction expenditures, including increases in travel time associated with construction, and the indirect economic impacts (i.e., impacts on resource-based industries) they generate.

² Growth impacts south of the study area (e.g., in Davis County) were not evaluated in this section because much of the land use south of the study area is currently developed or planned for development. As a result, it was assumed that areas south of the study area would experience full build-out, with or without construction of the proposed action. See Section 4.1, *Land Use*, for a complete discussion of impacts within and beyond the North Corridor.

Permanent regional impacts are long-term and are associated with continued operation and maintenance activities and shortened travel times.

Temporary and permanent impacts were evaluated in the Final EIS according to four regional economic variables: employment, regional commerce, tax base, and value of motorists' time savings. Impacts on resource-based industries (e.g., the brine shrimp and mining industries) and on the recreation industry were also considered. As summarized in Table 4-9 in the Final EIS, which is not reproduced herein because there has been no change in the data, impacts on employment, commerce, and tax base would be the same as those described in the Final EIS. The results from the Final EIS are summarized below.

- Estimates of employment impacts due to construction and displacements have not changed since the Final EIS. The estimated number of affected construction jobs and jobs in supporting industries remains the same. The Final EIS estimated that relatively few jobs would be affected by displacements, and of those business displacements, nearly all could be successfully relocated in the region. Since publication of the Final EIS, most of the proposed right-of-way has been purchased by UDOT, and no new enterprises have located here.
- Similar to the employment impacts, the estimates of impact on regional commerce have not changed from the Final EIS. Reduced traffic congestion and improved highway access would facilitate regional commerce. Impacts on commerce resulting from business displacement were estimated to be minimal because the corridor was sparsely developed and contained few businesses requiring displacement when the Final EIS was developed. Since then, UDOT has purchased much of the affected property, and no new businesses have located along the proposed rights-of-way of the build alternatives. In addition, there were adequate opportunities for the displaced businesses to relocate in the region.
- Estimates for impacts on tax base have also not changed since the Final EIS. Most of the right-of-way has already been purchased by UDOT and removed from the tax base. As a result, the impacts on the tax base have already been realized.
- Similarly, as disclosed in the Final EIS, there would be no impacts on either the brine shrimp industry or the recreation resource industry under any proposed build alternative. Impacts on federal mineral reservations would also be the same as those listed in Table 4-9 in the Final EIS, except that Alternative E would preclude royalties on about 32 ha (80 ac) of federal mineral reservation lands, which is 1 ha (3 ac) less than the impact associated with Alternative D.

Since all of the above impacts are similar to those estimated in the Final EIS, the regional economic impact discussion presented in this section focuses on updated information relative to the value of motorists' time.

Value of Motorists' Time Savings

No-Build Alternative

Existing Conditions (2004)

As described in the Final EIS, motorists would continue to experience increased levels of congestion and time delays on existing roadways in the study area under the existing conditions (2004) No-Build Alternative.

Future Conditions (2020)

If none of the build alternatives is implemented, future transportation improvement projects may be undertaken by local jurisdictions in the study area to address capacity needs not being met by the proposed action. The costs associated with motorists' travel time would increase under future conditions because continued development in and adjacent to the North Corridor would result in increased congestion on the roadway system. Construction of future transportation improvements by local governments would help this situation but could not eliminate it.

Build Alternatives

All the proposed build alternatives would result in a net decrease in traffic congestion in the study area. The value of this benefit was estimated in the Final EIS to be \$28.7 million, based on post-construction traffic conditions and an average value of motorists' time estimated to be \$9.50 per hour. (See Section 4.5.1 and Table 4-9 in the Final EIS.) Based on the revised estimate of the value of motorists' time, \$18.65 per hour, the annual value of time savings associated with the proposed build alternatives would range from \$56.4 million to \$60.4 million, an increase of between \$27.7 million and \$31.7 million over the savings figures presented in the Final EIS (i.e., \$28.7 million). The \$56.4 million estimate only accounts for the increased dollar per hour estimate, while the \$60.4 million estimate also takes into account recent traffic modeling estimates using the revised WFRC travel demand model (version 3.2).

In response to the appellate court remand, the federal lead agencies evaluated four different sequencing scenarios that incorporated the three major components of the Shared Solution: mass transit, I-15 improvements, and Legacy Parkway. This analysis is documented in the sequencing technical memorandum (HDR Engineering 2004b) and the administrative record and is summarized in Section 2.4, *Sequencing*, of this document. The sequencing analyses assess these four scenarios according to a number of variables, one of which is cost to the traveling public. A complete discussion of the value of motorists' time savings with respect to the different sequencing scenarios can be found in either the technical memorandum or Section 2.4 of this document.

4.5.3.2 Local Economic and Community Impacts

As described in the Final EIS, construction of any proposed build alternative could affect the economic base of communities in the study area. Such impacts would be associated with displacement of homes, farms, and businesses; changes in vehicular access; severance of land parcels; and division of communities, which the communities view as a permanent impact. Because all these factors contribute to the social make up of the communities in the study area, they are collectively discussed in Section 4.3.3.3, *Neighborhood and Community Cohesion*, of this document.

Impacts on developable lands in the individual communities along the corridor is an issue that was given considerable attention in the Final EIS and remains important in this Supplemental EIS. In conjunction with the proposed Legacy Nature Preserve, the build alternatives would serve as barriers for any development west of the Legacy Parkway. The Final EIS estimates the area of uplands precluded from future development and discusses the revenue losses the communities would experience as a result of this land being removed from the tax base. Despite the potential for losing developable land and associated tax revenues, the communities have consistently supported the Legacy Parkway project. For economic reasons, however, they have shown a strong preference for build alternatives aligned as far west as possible.